

# **(Non-)transferability of shares in business corporations**

## **Abstract**

This diploma thesis deals with (non-)transferability of shares in unlimited partnership, limited partnership, limited-liability company and joint-stock company. A share represents participation of a shareholder in business corporation. Each form of business corporation has a different modification of share transferability in the Business Corporation Act. Transfer of share is either prohibited, limited or allowed without any limitation. The rules on transferability also differ as to whether shareholders may deviate from them or not. The differences are mainly due to the personal or capital nature of the business corporation.

The aim of this work is to determine the reasons which led the legislature to current transferability of shares in business corporations and to assess whether this legislation an appropriate solution is.

The diploma thesis is structured into five parts. The first part deals with the theoretical introduction and defines a share and business corporations. The second and third part of the diploma thesis provides a detailed analysis of the transferability of the share in business companies, including the explanatory uncertainties and discussions that the current legislation raises. Part of the second part is also the historical development of the transferability of share and the comparison with the foreign legal regulation.

The fourth and fifth parts are key to this diploma thesis and answer the questions asked in the beginning. The fourth part of the diploma thesis describes the reasons which led the legislature to the current legislation on the transferability of share. The fifth part of the diploma thesis finally evaluates the legal regulation from the point of view of suitability. The fifth part also includes the author's *de lege ferenda* proposals on how to refine the existing regulation and to avoid any explanatory confusion. Answers to the questions asked and the most important findings are summarized at the end of the diploma thesis.

**Key words: transferability, share, business corporation**